

ECONOMIC DEVELOPMENT

Karen S. Patel

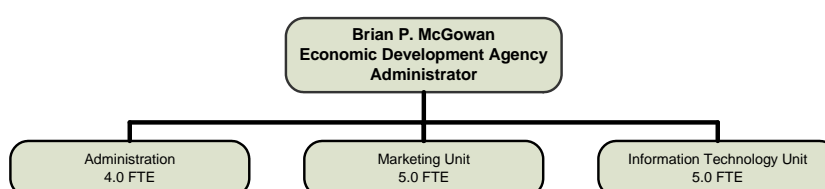
I. MISSION STATEMENT

The Department of Economic Development facilitates overall economic growth and job creation/retention through leadership, public/private collaborations, the provision of services to cities, attraction of new investment and the retention/expansion of existing businesses.

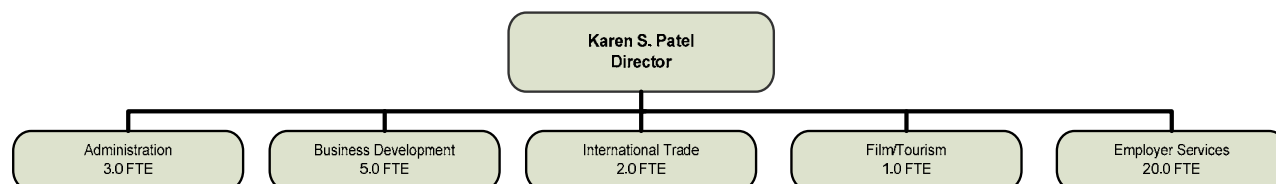
II. ORGANIZATIONAL CHART

This budget unit includes staffing for both the Economic Development Agency (15.0 FTE) and the Department of Economic Development (32.0 FTE). Below are the organizational charts for each entity.

Economic Development Agency:



Department of Economic Development:



III. DESCRIPTION OF MAJOR SERVICES

The Department of Economic Development's major goals are to develop and implement a countywide economic development strategy that will maximize the standards of living of the county's residents, provide economic opportunities for the County's businesses, foster a competitive environment and position the county as a highly competitive region for business opportunities. The County of San Bernardino consistently spearheads initiatives for local, national and international impact for a competitive advantage by developing collaborations between the county and cities where the strategic partnerships offer critical services to clients regardless of geographical boundaries. We also spearhead support structures conducive for a creative business climate by creating a macro forum for networking ideas and programs via cluster development and high-valued industry sectors. Our focus is to have the County of San Bernardino viewed as the primary resource for all shareholders with unbeatable customer service by providing guidance and future economic development training for San Bernardino County cities and by fostering a respectful, open, cooperative environment with governmental departments and non-governmental entities.



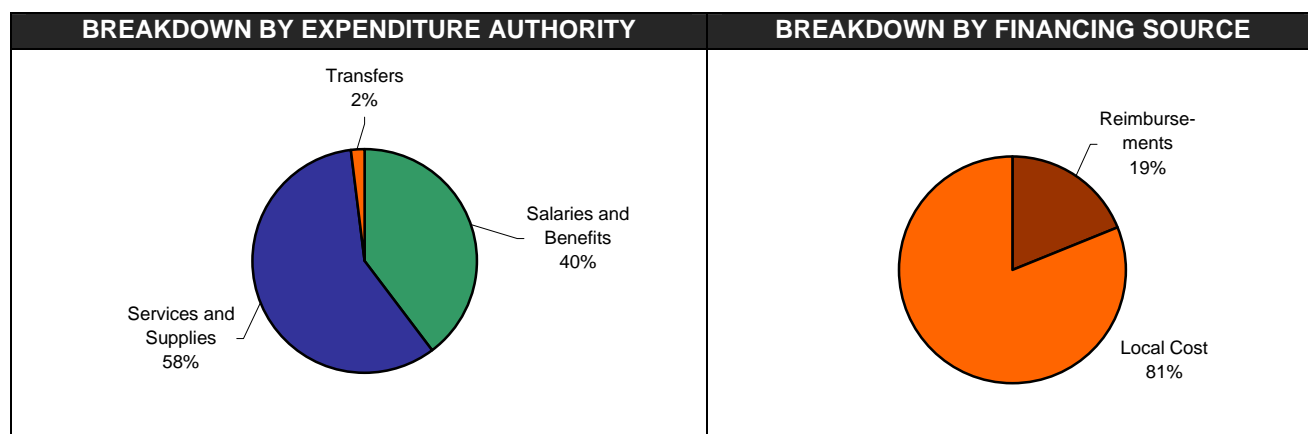
IV. 2005-06 ACCOMPLISHMENTS

- Sponsorship:
 - Title Sponsor of 1st NAIOP Inland Empire Event in the High Desert
 - ICSC International Conference, Las Vegas, NV - Participation and Reception sponsorship
 - NAIOP Annual Conference sponsorship, Hollywood, FL
 - One Global California Sponsorship, Ontario, CA
- Participation/awareness
 - ICSC Western Region Conference, Palm Springs, CA 1st conference participation
 - CoreNet Global Spring Conference, Philadelphia, PA – Participation
 - Fortune Magazine national ad runs for 1st time in conjunction with Agency branding/logo campaign
- Extensive Business Services:
 - Lake Dolores Senior Housing project, application for 2400 homes submitted – the department provided liaison services to this developer to help them prepare for the entitlement process.
 - Riley Super Sky Rocket Retention – the department provided retention services to retain this business within the County of San Bernardino.
- Awards & Special Recognitions:
 - Award for Excellence in Economic Development for Workforce Matrix, CALED
 - Award of Excellence, California Association of Local Economic Development
 - *Creation of a Workforce Tracking Tool*
 - Special Recognition, Congressman David Drier
 - *Road to Employment Program and Job Fair*
 - Award of Excellence, County Superintendent of Schools Alliance for Education
 - *Dedication and Support to the Alliance for Education*
- Hosted Annual County Procurement Conference, Victorville, CA,

V. 2006-07 SUMMARY OF BUDGET UNITS

2006-07					
	Appropriation	Revenue	Local Cost	Fund Balance	Staffing
Economic Development	7,884,668	2,000	7,882,668		47.0
Economic and Community Development Corporation	18,714	12,700		6,014	-
County Industrial Development Authority	48,411	1,300		47,111	-
TOTAL	7,951,793	16,000	7,882,668	53,125	47.0

VI. 2006-07 BUDGET



VII. GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

GOAL 1: BUSINESS RETENTION/ATTRACTION- BRAND THE COUNTY OF SAN BERNARDINO AS AN ETHNICALLY, CULTURALLY, SOCIALLY AND ECONOMICALLY DIVERSE REGION THAT PROVIDES COMPETITIVE ADVANTAGES WITH TOP LEVEL CUSTOMER SERVICE.

Objective A: Coordinate and market county services for businesses.

Objective B: Provide financial and procurement assistance to micro-enterprise and small businesses.

Objective C: Identify employment needs of businesses and recruit for these positions.

Objective D: Raise awareness of the competitiveness of San Bernardino County to increase inquiries and generate leads for new business attraction and investment.

MEASUREMENT	2005-06 (Actual)	2006-07 (Projected)	2006-07 (Estimated)	2007-08 (Projected)
*1A. Respond to business requests for assistance within 24 hours of acknowledgement and 5 day first tier resolution.	N/A	N/A	N/A	80%
**1B. Percentage of completed loan applications processed from submittal to close of escrow within 10 weeks.	NEW	NEW	50%	80%
**1C. Percentage increase of number of job opportunities identified with San Bernardino businesses to better link job seeking clients. This will be obtained utilizing job seeking client information, including information provided by the WDD and TAD (24,103 jobs in 2005-06).	N/A	10%	10%	5%
1D. Percentage increase of inquiries by businesses about locating in the county.	N/A	N/A	Develop base for 2006-07	20%

* Although this was a performance measure in the 2006-07 Business Plan, due to the continued reorganization and creation of the Department of Economic Development and the lack of an adequate tool to measure its performance, there was not an accurate base established for the measurement. This problem has been corrected through the purchase of a customer relationship software system, which documents communication between the department and its customers.

** Performance measurement items 1B and 1C are revised measurements due to the difficulty of calculating a baseline for 2006-07.

Status

The Department of Economic Development has done much in 2006-07 to retain businesses that are currently located in the county as well as to attract new business and investment. The department has created economic sub-regions within the 6 different economic zones of the County in order to allow for better familiarity of county services by businesses and to allow for rapid response to business needs. We have strengthened partnerships with outside consultants and partners for improved turnaround in providing assistance to small business.

Economic Development has identified employment needs of businesses by establishing more solid relationships with them. With our new processes, quantitative measurements for job matches are underway for jobs that have been placed on our website for clients and job seekers from the Transitional Assistance Department (TAD) and the Department of Workforce Development (WDD). Six months of quantitative data shows that over 10,000 job orders have been entered with 35% of the jobs identified as entry level jobs. We have collaborated with Workforce Development and Transitional Assistance staff to assist clients in gaining employment.

As the reorganization and creation of the Department of Economic Development continues, new and enhanced services will be identified to increase the economic impact in San Bernardino County and to increase the competitiveness of the county's businesses.



GOAL 2:	ESTABLISH AN IMAGE OF THE COUNTY AS A GLOBAL AND DIVERSE BUSINESS CENTER IN THE UNITED STATES BY CONTINUING TO DEVELOP OUR OVERSEAS CONNECTIONS, INFRASTRUCTURE AND UNDERSTANDING OF GLOBAL MARKETS.
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Objective A: Create a network of global partners that will assist in promoting the County of San Bernardino as North America's leading region for international business opportunities and foreign direct investment.

Objective B: Educate local County of San Bernardino businesses on how to take advantage of export/import markets.

Objective C: Provide county area companies with business development opportunities abroad.

MEASUREMENT	2005-06 (Actual)	2006-07 (Projected)	2006-07 (Estimated)	2007-08 (Projected)
2A. Number of global partners established to commence networking for a positive economic impact.	NEW	NEW	1	5
2B. Percentage of identified businesses that are identified by the department to have potential in international trade who participate in county sponsored international forums and workshops (60 estimated identified businesses).	NEW	NEW	NEW	25%
2C. Number of international trade missions led by the department.	NEW	NEW	1	2

Status

The County of San Bernardino recognizes that the economic growth is closely tied to international trade. The county now dominates trade in the Inland Southern California region, with 46,000 workers handling nearly \$16 billion in trade yearly as of 2005. The Inland Empire, including San Bernardino County, totaled \$17.5 billion in international trade creating 50,000 jobs. San Bernardino County is also growing at a faster pace than the region as a whole. While the Los Angeles Customs District expects to grow international trade by 154 percent over the next 15 years, San Bernardino County's trade grew almost 400 percent from 2004 to 2005. This growth will bring with it challenges and opportunities. The county's new International Trade program goal is to establish an image as a global gateway and diverse business region in the United States by highlighting our overseas connections, infrastructure and understanding of global markets to attract companies from throughout the U.S. and abroad based on this economic growth.

Overall, in 2006-07, the department has seen a tremendous increase in outreach to businesses. With the recent trade mission to China alone, the department created 70 opportunities to bring business to the county which could result in over \$67 million in potential business contracts, with an estimated 5% realization occurring within 12 months.

GOAL 3:	ENHANCE THE COUNTY OF SAN BERNARDINO'S POSITION TO FILM AND VISIT THROUGH THE MANAGEMENT AND BRANDING OF THE COUNTY'S UNIQUE LOCATIONS.
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Objective A: Promotion of high quality locations and favorable climate via three airport locations, parks, deserts, mountains for new film location inquiries.

Objective B: Promotion of regional tourist destinations.

Status

During 2006-07 we plan to begin the development of a base for performance measurements of the film/tourism programs and hire the Film/Tourism manager. Programs identified will be kicked off and performance measurements will be developed for 2007-08. In order to develop performance measures, the department will identify locations for national promotions and will also develop a database of historical, cultural, natural and innovative tourist destinations and opportunities.



VIII. 2006-07 APPROVED ADDITIONAL GENERAL FUND FINANCING (POLICY ITEMS)

Policy Item 1: Increase in funds for the Enhanced Economic Development Program in the amount of \$2,443,500 (\$1,118,500 one-time funding; \$1,325,000 ongoing funds).

Policy Item 2: Increase in funds for the High Desert Business Resource Center in the amount of \$300,000 (\$150,000 one-time funding; \$150,000 ongoing funds).

Policy Item 3: Increase in funds for various community service projects in the amount of \$1,145,000 (one-time funding).

Policy Item 4: Increase in funds for the California Speedway FanZone Sponsorship in the amount of \$700,000.

Policy Item 5: Increase in funds for 3.0 Economic Development Manager positions in the amount of \$367,089.

Policy Item 6: Increase in funds for 1.0 Deputy Administrative Officer position in the amount of \$199,481.

Policy Item 7: Increase in funds for 1.0 Geographic Information Systems Technician II positions in the amount of \$32,592.

MEASUREMENT*	2005-06 (Actual)	2006-07 (Projected)	2006-07 (Estimated)	2007-08 (Projected)
P1.P3.-P6. (General)* Percentage increase of editorials/articles (26 editorial/articles in 2005-06).	N/A	25%	25%	25%
P1.P3.-P6. (General)* Percentage increase of television/radio/podcast coverage (3 broadcasts estimated in 2005-06).	N/A	25%	25%	25%
P1.P3.-P6. (General)* Percentage increase of conferences sponsored (4 conferences in 2005-06).	N/A	40%	25%	25%
P1.P3.-P6. (General)* Percentage increase of companies assisted (3,500 companies in 2005-06).	N/A	10%	10%	5%
P2. The operation of the High Desert Business Resource Center.	N/A	100% operational	40% operational	100% operational
P2. Percentage increase of businesses served by the High Desert Business Resource Center (720 businesses served in 2006-07).	N/A	N/A	N/A	30%
P7. Percentage increase in the creation of reports and maps to be used for business attraction and retention (20 estimated reports and maps used for business attraction and retention in 2006-07).	N/A	N/A	N/A	10%

* These Performance Measures consist of general measurements that apply to all of the Policy Items as a whole rather than measures that coincide with an individual Policy Item.

Status

The "Opportunity, CA" branding and advertising national campaign launch has afforded the County of San Bernardino much 'opportunity'. The additional funding received for 2006-07 has positioned the county as the premier regional economic development leader. With exposure based on the sponsorship of the "California FanZone" at the California Speedway, the Mark Christopher Charity Classic as the presenting sponsor, numerous tradeshows and events, and both domestic and international exposure in Forbes magazine in conjunction with our China Trade Mission, the county has begun to be recognized as a regional economic leader.

As an accomplishment in 2006-07, the department is estimating that it will achieve the majority of its projected 2006-07 performance measures. For those measures that are not estimated to be accomplished in 2006-07, it is projected that they will be accomplished in 2007-08. For example, it is anticipated that the High Desert Business Resource Center (HDBRC) will become fully operational in 2007-08 rather than 2006-07. During 2006-07 the department has attempted to identify available space for this HDBRC. Only recently has space become available to allow the HDBRC to be co-located with the High Desert Employment Resource Center, which is preferable. The number of conferences sponsored in 2006-07 is less than projected due to the delay in hiring the Director of Economic Development and the restructuring of the program.



IX. 2007-08 REQUESTS FOR ADDITIONAL GENERAL FUND FINANCING (POLICY ITEMS)

2007-08 OBJECTIVES FOR POLICY ITEMS	2007-08 POLICY ITEMS
<p>1. Establish and expand business services for the East Valley region through an East Valley Business Resource Center co-located with the East Valley Employment Resource Center. The East Valley Employment Resource Center has an approved CIP request (#05-146) to relocate the existing employment resource center in San Bernardino to a new location that meets the needs of them and their partners. By co-locating the business and employment service functions the county's impact for its businesses and citizens will be maximized.</p>	<p>A. Provide enhanced and expanded business services through an East Valley Business Resource Center co-located with the East Valley Employment Resource Center.</p> <p>Additional Funding Requested: \$150,000 one-time funding for facility office furniture, library resources and equipment. \$150,000 ongoing for rent, utilities, stocking of library and equipment replacement.</p>
<p>2. Develop and enhance economic development programs to expand awareness of the competitiveness of San Bernardino County.</p>	<p>A. To continue to move the county's Economic Development program towards being the strongest in the region, the Department of Economic Development is requesting an additional \$1,140,000 to increase sponsorships and tradeshow, advertising, economic studies, national public relations exposure, participation in special events, film and tourism activities, and international business opportunities.</p> <p>Additional Funding Requested: \$1,140,000 on-going funding</p>
<p>3. The FanZone Title Sponsorship and the entitlement at the NASCAR Craftsman Truck Series event partners the County of San Bernardino with the California Speedway to nationally market the opportunities available with the county, at various NASCAR events.</p> <p>Performance measures already exist (see "General" Performance Measures P1.P3.-P6. in Section VIII, "Approved Additional General Fund Financing".</p>	<p>A. Continue the Fan Zone Title Sponsorship and the entitlement at the NASCAR Craftsman Truck Series event at the California Speedway.</p> <p>Additional Funding Requested: Funding required is estimated at \$700,000. A portion of this agreement may be reimbursed by the County Redevelopment Agency for activities supporting the redevelopment area. If the current contract is not renegotiated by April 15, 2007 a termination fee of \$150,000 is due from the county to cover the unamortized costs associated with changing Title Sponsors by May 15, 2007. Funding is requested for 2007-08 and 2008-09, which is the current agreement timeframe.</p>



<p>4. If final approval is received after completion of the EIR, the State of California Housing and Community Development Department, the County of San Bernardino, Department of Economic Development will administered the Enterprise Zone and issue vouchers to the participating businesses for associated tax credits related to job creation and retention of economically disadvantaged citizens.</p>	<p>A. As the Lead Agency, to develop, market, and administer the San Bernardino Valley Enterprise Zone, a multi-jurisdictional Enterprise Zone (EZ) that will create jobs and retain and attract businesses. The proposed enterprise zone covers the County of San Bernardino along with the Cities of Colton and San Bernardino and the Inland Valley Development Agency.</p> <p>Additional Funding Requested: \$27,000 one-time funding to pay for the county's proportional share of the EIR and \$10,000 on-going funding to pay for the county's proportional share of the administrative costs such as insurance, professional services (legal and auditing), etc.</p>			
MEASUREMENT	2005-06 (Actual)	2006-07 (Projected)	2006-07 (Estimated)	2007-08 (Projected)
1. Number of businesses utilizing the services at East Valley Business Resource Center	NEW	NEW	NEW	Establish baseline of businesses
2. Percentage increase of leads from existing sponsorships	NEW	NEW	NEW	10%
Percentage increase of business inquiries/leads both domestic and international.	NEW	NEW	NEW	10%
Number of website hits on the international trade services online directory and online event calendar	NEW	NEW	NEW	Establish baseline
Enhanced database of film, video, and tourism assets to market	NEW	NEW	NEW	Establish baseline
4. Percentage of businesses within the Enterprise Zone attending the incentive workshops (current estimate of business within the Enterprise Zone is 2,400)	NEW	NEW	NEW	10%

X. 2007-08 PROPOSED FEE ADJUSTMENTS

The department is not requesting any proposed fee adjustments for 2007-08.

If there are questions about this business plan, please contact Karen S. Patel, Director, at (909) 387-9812.

